



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

TO: EDITORS, NEWS DIRECTORS
FOR: IMMEDIATE RELEASE

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MINING COMPANY AGREES TO OFFER REFUNDS IN SECURITIES ACTION

PHOENIX – This week the Arizona Corporation Commission ordered a mining company and its geologist, Alvin Charles Johnson, Jr., of Tempe, to cease and desist from violating the Arizona Securities Act. The Commission also ordered the company to offer refunds to any investors who would like to redeem their shares. There were approximately 100 investors who invested about \$1.7 million in three different offerings.

According to the Commission Order, between 1997 and 1999, M.G. Natural Resources, now known as Xenolix Technologies, Inc., offered and sold stock on the National Association of Securities Dealers, Inc.'s electronic bulletin board as a business engaged in mining exploration and the development of natural resource opportunities. Since 2000, the stock has been promoted on the National Quotation Bureau's "Pink Sheets," which are printed quotations for thinly traded or little-known stocks. The various offerings conducted over the years were not registered nor were the persons selling the stock registered with the Division.

The company claimed to have a patented technology that would extract gold and other precious metals from the company's volcanic cinders on property it owned east of Flagstaff. Beginning in about December of 1999, the company and Johnson began to focus on technology to economically extract precious metals from coal combustion products. Currently, Xenolix Technologies, Inc. is claiming to have developed a process for extracting precious metals from fly ash, the by-product of coal mining, generally used in concrete and road building operations. No Arizona operations are known to have successfully extracted economically viable quantities of precious metals from volcanic cinders.

Xenolix Technologies, Inc. and Johnson admitted that they issued press releases that touted the technology as being on the verge of producing highly successful results. The Commission's Order finds

that the company and Johnson misrepresented or otherwise gave the misleading impression about the company's ability to economically produce precious metals from the cinders.

The Order further requires Xenolix Technologies, Inc. to do the following:

- To make detailed disclosures in future offerings to the public regarding its ability to economically extract precious metals from unique media such as volcanic cinders and coal combustion products;
- To disclose to investors the risk of the investment;
- To make other financial disclosures;
- To make an offer of rescission to investors, and
- To pay administrative penalties.

On February 28, 2001, the Arizona Corporation Commission's Securities Division filed an administrative action against M.G. Natural Resources Corporation and Alvin Johnson, Jr. Johnson serves as the company's vice president of technology, research, and development. M.G. Natural Resources is known by various names such as Mariah International, Guildmark Industries, M.G. Gold Corporation and most recently, Xenolix Technologies, Inc., a Nevada corporation.

The public is encouraged to always check out an investment proposal by contacting the Commission's Securities Division, which offers educational materials on mining and precious metals investments. Contact the Securities Division by calling (602) 542-4242, toll free at 1-877-811-3878 for callers outside the Phoenix metro area, or through its website at www.ccsd.cc.state.az.us.

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